

IN THE HIGH COURT OF JUDICATURE AT BOMBAY
ORDINARY ORIGINAL CIVIL JURISDICTION

INCOME TAX REFERENCE NO.782 OF 1998

The Commissioner of Income Tax
Bombay City-III, Bombay .. Applicant.
V/s.
M/s.Aurangabad Paper Mills Ltd. .. Respondent.
Mr.A.S. Rao i/b. Mr.Pankaj Kapoor for the applicant.

**CORAM : V.C. DAGA &
J.P. DEVADHAR, JJ.**

DATED : 5TH APRIL, 2005.

P.C. :

1. Heard learned counsel for the applicant. The Tribunal has referred question for the opinion of this Court reading as under :-

Whether in the facts and in the circumstances of the case, the Tribunal was right in law in holding that the subsidy received from the Central Government should not be deducted from the cost of the assets for determining the 'actual cost' within the meaning of section 43(1) of the Income-tax Act for computing the quantum of depreciation and investment allowance allowable to the assessee ?

2. The above question has already been answered by the Apex Court in the case of **C.I.T. V/s. P.J. Chemicals Ltd. [(1994) 210 I.T.R. 830 (SC)]** in the affirmative i.e. in favour of the assessee and against the revenue. In this view of the matter, reference stands disposed of in terms of that judgment with no order as to costs.
